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DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

FOR RELEASE IN MORNING NEWSPAPERS
MONDAY, OCTOBER 30, 1939

Harry Slattery, Administrator of Rural Electrification, today announced allotments for two small generating plants in Vermont and New Hampshire, following the failure of utility companies to quote rates for wholesale power which would enable newly formed electric service cooperatives to pay out.

He also allotted \$352,000 for one of these cooperatives, the New Hampshire Electric Cooperative of Concord, to build 327 miles of transmission and distribution lines to serve an estimated 1,100 member-users. This allotment, with an added \$30,000 for a semi-portable generating plant, was the first to be made in the State of New Hampshire. It was expedited when the New Hampshire Public Service Company began preparations to build spite lines in the area.

The total of today's allotments was \$407,000.

The Vermont allotment, amounting to \$35,000, was made to the Washington Electric Cooperative, Inc., of East Montpelier, Vermont, for installation of a semi-portable generating plant to provide energy for approximately 200 rural families on 55 miles of lines already under construction under an earlier REA loan. Enlargement of this cooperative to serve about 1,000 farm families is being planned.

Due to the allotment for the generating plant, the Vermont group, hitherto without electric service, will have lights by Christmas. Administrator Slattery pointed out that before making it he had received reports from REA and cooperative officials who had held numerous conferences with the Green Mountain Power Company about a power rate. One conference was held also with officials of its holding company, the New England Power Association. The lowest rate offered by the Green Mountain Company would have averaged 1.9 cents, Mr. Slattery

said. This is far higher than the rates paid by more than 500 REA-financed systems, including one in Vermont.

The view that private utilities cannot provide needed service in the remaining unelectrified rural areas of Vermont was expressed by Governor George D. Aiken of that State at pole-setting exercises of the Washington Electric Co-operative held recently. Governor Aiken said:

"It is not to be expected that private utilities can, within a short time, expand their services to meet the situation at a cost the people can pay. Some private companies cannot afford the cost even though they have the willingness to cooperate and serve. Others, unfortunately, appear to be under the control of those who have no sentimental attachment for Vermont and little interest in us. Their motive seems to be to get the last drop of blood at as little expense to themselves as possible. Therefore, they lack the desire to serve thinly populated rural areas and apparently they cannot see the possibilities for future development."

The New Hampshire allotment provides for rural lines to make service available to unserved farm and village members in Cheshire, Sullivan, Carroll, Grafton, and Belknap counties. Delayed pending wholesale rate negotiations with the New Hampshire Public Service Company, the allotment was expedited when reports reached REA that the company had delivered poles, preparatory to building lines in strategic parts of the area already developed by the cooperative. This made it imperative that cooperative construction start promptly, according to William J. Neal, of Meredith, Master of the New Hampshire State Grange and president of the cooperative. Mr. Neal called on Administrator Slattery last Wednesday.